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BEFORE THE ARIZONA CORPORATION COMMISSION

2514

COMMISSIONERS

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JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
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2006 MAY -4 P 12: 38

AZ CORP COMMISSION
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IN THE MATTER OF THE NOTICE OF INTENT
BY AT&T, INC. PURSUANT TO A.A.C. R14-2-
803 OR, ALTERNATIVELY, FOR A LIMITED
WAIVER OF THE COMMISSION'S AFFILIATED
INTERESTS RULES.

DOCKET NO. T-02428A-06-0203
T-03016A-06-0203
T-03116A-06-0203
T-03287A-06-0203
T-03346A-06-0203

PROCEDURAL ORDER

BY THE COMMISSION:

On March 31, 2006, AT&T, Inc. ("AT&T") submitted a Notice of Intent to the Arizona Corporation Commission ("Commission") pursuant to A.A.C. R14-2-803 concerning the proposed merger of AT&T and BellSouth Corporation ("BellSouth"), and an application for a limited waiver of the Commission's Affiliated Interests Rules, A.A.C. R14-2-801, *et seq.* ("Rules"), or alternatively, an expedited review and approval of the proposed merger without a hearing ("Application").

On April 6, 2006, a letter from Commissioner Mayes to AT&T was filed in this docket, requesting that the Application be given a full evidentiary hearing.

On April 11, 2006, a letter from AT&T to Commissioner Mayes was filed in this docket.

On April 24, 2006, the Commission's Utilities Division Staff ("Staff") filed a Request for Procedural Order requesting implementation of a proposed procedural schedule, and requesting that the Commission suspend the timeframes contained in the Rules for the purpose of holding a hearing on the Application.

On April 27, 2006, a Procedural Order was issued suspending the timeframe for Commission consideration of the Application pursuant to the Rules; setting a hearing date of July 27, 2006; and setting associated procedural deadlines.

Also on April 27, 2006, AT&T filed a Response to Staff's Request for Procedural Order. AT&T stated in its Response that it believes no hearing is necessary, but proposed an alternative

1 procedural schedule to that proposed by Staff in its April 24, 2006 filing.

2 On May 3, 2006, Staff filed a Reply to AT&T's Response to Staff's Request for Procedural
3 Order. Staff stated that as AT&T stated in its Response, Staff and AT&T were able to agree on a
4 procedural schedule that includes a hearing on the Application on June 26, 2006.

5 The procedural schedule proposed by AT&T and Staff, with the modifications as set forth
6 herein, is reasonable. The procedural schedule established in the April 27, 2006 Procedural Order
7 should be modified accordingly.

8 IT IS THEREFORE ORDERED that the **hearing** on the above-captioned matter shall
9 commence **on July 6, 2006, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's
10 offices, 1200 West Washington Street, Phoenix, Arizona 85007. **Public comment** will be taken at
11 the commencement of the hearing.

12 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **June 30, 2006,**
13 **at 3:00 p.m.**

14 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at
15 hearing on behalf of AT&T shall be reduced to writing and filed on or before **May 8, 2006.**

16 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at
17 hearing on behalf of the Commission's Utilities Division Staff and intervenors in this matter shall be
18 reduced to writing and filed on or before **noon on June 21, 2006.**

19 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented
20 at hearing on behalf of AT&T shall be reduced to writing and filed on or before **noon on June 29,**
21 **2006.**

22 IT IS FURTHER ORDERED that any surrebuttal or rejoinder testimony shall be presented
23 orally at the hearing.

24 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
25 the Application or pre-filed testimony shall be reduced to writing and filed no later than five calendar
26 days before the witness is scheduled to testify.

27 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
28 except that all motions to intervene must be filed on or before **June 12, 2006.**

1 IT IS FURTHER ORDERED that objections to any motions to intervene must be filed on or
2 before **June 16, 2006**.

3 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have
4 been pre-filed as of June 29, 2006 shall be made before or at the pre-hearing conference on June 30,
5 2006.

6 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
7 regulations of the Commission, except that: any objection to discovery requests shall be made within
8 three calendar days of receipt; responses to discovery requests shall be made within five calendar
9 days of receipt; the response time may be extended by mutual agreement of the parties involved if the
10 request requires an extensive compilation effort; and no discovery requests shall be served after June
11 30, 2006.

12 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
13 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
14 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
15 request, a procedural hearing will be convened as soon as practicable; and that the party making such
16 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the
17 hearing provide a statement confirming that the other parties were contacted.¹

18 IT IS FURTHER ORDERED that AT&T shall provide public notice of the hearing as
19 required by the April 27, 2006 Procedural Order issued in this matter, except that the hearing date and
20 intervention deadline shall be published as set forth in this Procedural Order, and publication shall be
21 completed no later than May 12, 2006.

22 IT IS FURTHER ORDERED that AT&T shall file certification of publication as soon as
23 practicable after the publication has been completed.

24 IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same,
25 notwithstanding the failure of an individual to read or receive the notice.

26 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
27

28 ¹ The parties are encouraged to attempt to settle discovery disputes through informal, good faith negotiations before seeking Commission resolution of the controversy.

1 Communications) applies to this proceeding as the matter is now set for public hearing and shall
2 remain in effect until the Commission's Decision in this matter is final and non-appealable.

3 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
4 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

5 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
6 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

7 Dated this 4th day of May, 2006

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10 
TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

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12 this 4 day of May, 2006 to:

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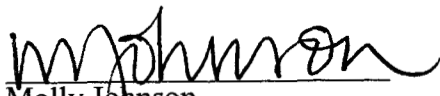
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22 Secretary to Teena Wolfe
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